

FCC Form 481 - Carrier Annual Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0985/OMB Control No. 3060-0819 JUN 2013
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<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
Form Type		54.313 and 54.422

(100) Service Quality Improvement Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 JULY 2013
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<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@corallo.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

170196PA112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Yes

<010>	Study Area Code	176196
<015>	Study Area Name	FALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<210> For the prior calendar year, were there any reportable voice service outages?	No
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[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**FCC Form 481
OMB Control No. 3050-0586/OMB Control No. 3050-0819
July 2013

<010> Study Area Code	170196
<015> Study Area Name	PALMERTON TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109263903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 441 OMB Control No. 3060-0086/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	170196
<015>	Study Area Name	VALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109287903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@icorellc.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules Data Collection Form		FCC Form 481 OMB Control No. 3060-0366/OMB Control No. 3060-0810 July 2013
<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109281903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	170196PA510.pdf

(600) Functionality in Emergency Situations		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013
<010>	Study Area Code	170196
<015>	Study Area Name	PALMERSON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283403, ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmex@corellc.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	170196PA610.pdf

(700) Price Offerings Including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3050-0985/OMB Control No. 3050-0819
July 2013

<D10>	Study Area Code	170196
<D15>	Study Area Name	PALMERTON TEL CO
<D20>	Program Year	2017
<D30>	Contact Name - Person USAC should contact regarding this data	Christopher Uimar
<D35>	Contact Telephone Number - Number of person identified in data line <D30>	6109283903 ext.
<D39>	Contact Email Address - Email Address of person identified in data line <D30>	cuiemar@icorellc.com
<F01>	Residential Local Service Charge Effective Date	1/1/2016
<F02>	Single State-wide Residential Local Service Charge	

[illegible]

<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109282903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@picorello.com

[illegible]

<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christophe Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109281903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<810>	Reporting Carrier	Palmerton Telephone Company
<811>	Holding Company	Pencor Services, Inc.
<812>	Operating Company	Palmerton Telephone Company

-- See attached worksheet --

(900) Tribal Lands Reporting Data Collection Form		POC Form 481 OMB Control No. 5080-0182 / OMB Report No. 5080-0181 July 2015
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<010> Study Area Code	176196
<015> Study Area Name	PALMERTON TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	5199283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<900> Does the filing entity offer tribal land services? (Y/N)

No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

(1000) Voice and Broadband Service Rate Comparability		PCC Form 481
Data Collection Form		OMB Control No. 3060-0926/OMB Control No. 3060-0815
		July 2013

<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@corallic.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 170196PA1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FC Form 481-1
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170196
<015>	Study Area Name	PALMBERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmers@corellc.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers:		FCC Form 481
Lifeline Data Collection Form		OMB Control No. 3060-0086/OMB Control No. 3060-0043 July 2013

<010>	Study Area Code	170196
<015>	Study Area Name	PALMBERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@corelle.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

170196PA1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP www.ptelco.com

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price-Cap Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-986/OMB Control No. 3060-0813
Including Rate-of-Return Carriers affiliated with Price-Cap Local Exchange Carriers		JULY 2013

<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109281903 ARE
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@corellc.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010>	2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support	
<2011>	3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support	
<2022>	Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.	
<2023>	The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.	
<2024A>	Round 2 Recipient of Incremental Support?	
<2024B>	Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information
<2025A>	Round 1 or Round 2 Recipient of Incremental Support?	
<2025B>	Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-	Name of Attached Document Listing Required Information
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)	

(2000) Price Cap Carrier Additional Documentation (Continued)

Data Collection Form

Including Rate-of-Return Carriers Affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0813

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information<2018> cap carrier used for capital expenditures in 2015.
Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
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<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan
Carrier certifies to 54.313(f)(1)(iii)

No - Attach Explanation

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)}

170196PA3010b.pdf

(3010B) Please Provide Attachment

Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(iii)}

No - No New Community Anchors

(3012B) Please Provide Attachment

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}

(Yes/No)

☒ ☐

(3014) If yes, does your company file the RUS annual report

(Yes/No)

☐ ☒

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☐

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

☒ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☒

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

☒

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☐

(3023) Underlying information subjected to a review by an independent certified public accountant

☐

(3024) Underlying information subjected to an officer certification.

☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

170196PA3026.pdf

(305) Name Of Return Carrier And Level Of Communication (Continued)		FC Form 441
Data Collection Form		OMB Control No. 3060-0046/OMB Control No. 3060-0019
		July 2013

<010>	Study Area Code	170196
<015>	Study Area Name	PALMERTON TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Uimer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cui@erivicorellc.com

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

Name of Attached Document Listing Required Information

<010>	Study Area Code	170196
<015>	Study Area Name	VALMONT TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	2103283703 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorello.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information _____

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	170196
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<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0926/OMB Control No. 3050-0319 July 2013
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<010> Study Area Code	170196
<015> Study Area Name	PALMERTON TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmers@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	PALMERTON TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/30/2016
Printed name of Authorized Officer:	Timothy Hausman
Title or position of Authorized Officer:	General Manager
Telephone number of Authorized Officer:	6108269433 ext.
Study Area Code of Reporting Carrier:	170196 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	PALMERTON TEL CO
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/30/2016
Name of Authorized Agent Employee:	Christopher Ulmer
Title or position of Authorized Agent or Employee of Agent:	Manager
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	170196 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(700) Price Offerings Including Voice Rate Data
Data Collection Form

OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170196
-------	-----------------	--------

<015>	Study Area Name	PALMERTON TEL CO
-------	-----------------	------------------

<020>	Program Year	2017
-------	--------------	------

<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
-------	---	-------------------

<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
-------	---	-----------------

<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@corellc.com
-------	---	--------------------

<701> Residential Local Service Charge Effective Date	1/1/2016
---	----------

<702> Single State-wide Residential Local Service Charge

<703>

[illegible]

(800) Operating Companies
Data Collection Form

FCC Form 482

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code 170196

<015> Study Area Name	PALMERTON TEL CO
-----------------------	------------------

<020>	Program Year	2017
-------	--------------	------

<030>	Contact Name - Person USAC should contact regarding this data	Christopher Uimer
-------	---	-------------------

<035> Contact Telephone Number - Number of person identified in data line <030> 6109283903 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> culmar@corellc.com

<810> Reporting Carrier	Palmerton Telephone Company
-------------------------	-----------------------------

<811>	Holding Company	Pencor Services, Inc.
-------	-----------------	-----------------------

<812>	Operating Company	Palmerton Telephone Company
-------	-------------------	-----------------------------

<813>

Affiliates

SAC

Doing Business As Company or Brand Designation

PentTeleData

PenTeleData

Blue Ridge Cable

Blue Ridge Cable

SUPPLEMENTAL DATA & RESPONSES

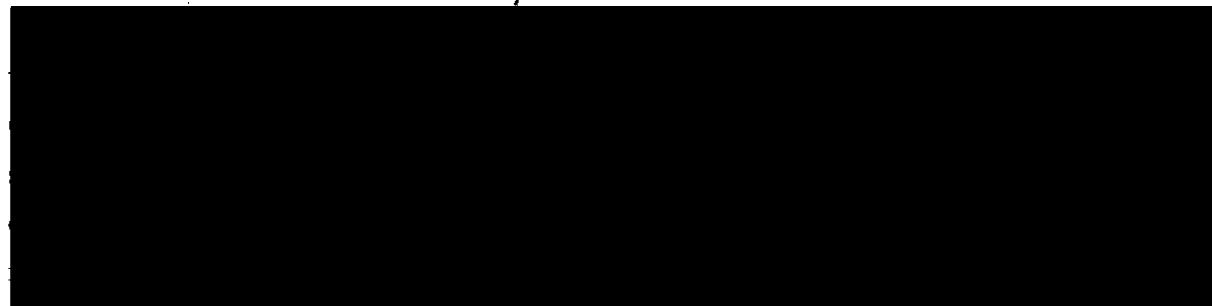
PALMERTON TELEPHONE COMPANY
FIVE YEAR SERVICE IMPROVEMENT PLAN
JULY 1, 2016 PROGRESS REPORTS

EXECUTIVE SUMMARY

On July 1, 2014, Palmerton Telephone Company ("Palmerton" or "the Company") submitted a five year service improvement plan as required by 47 C.F.R. §54.202(a). Palmerton operates four exchanges in southeastern Pennsylvania. Consistent with 47 C.F.R. §54.313(a)(1), the Company now submits its first progress report which reflects activities through May 2015.

At the time the five year service improvement plan was submitted, broadband service was defined as a service with speed of 4 Mbps downstream and 1 Mbps upstream. The FCC's action to change this definition to 10 Mbps downstream and 1 Mbps upstream upon reasonable request was not reflected in the initial plan. This report provides an assessment of the Company's achievements to date in network investment to target the new, higher download speed requirement.

UNIVERSAL SERVICE SUPPORT / INVESTED



SERVICE CERTIFICATION

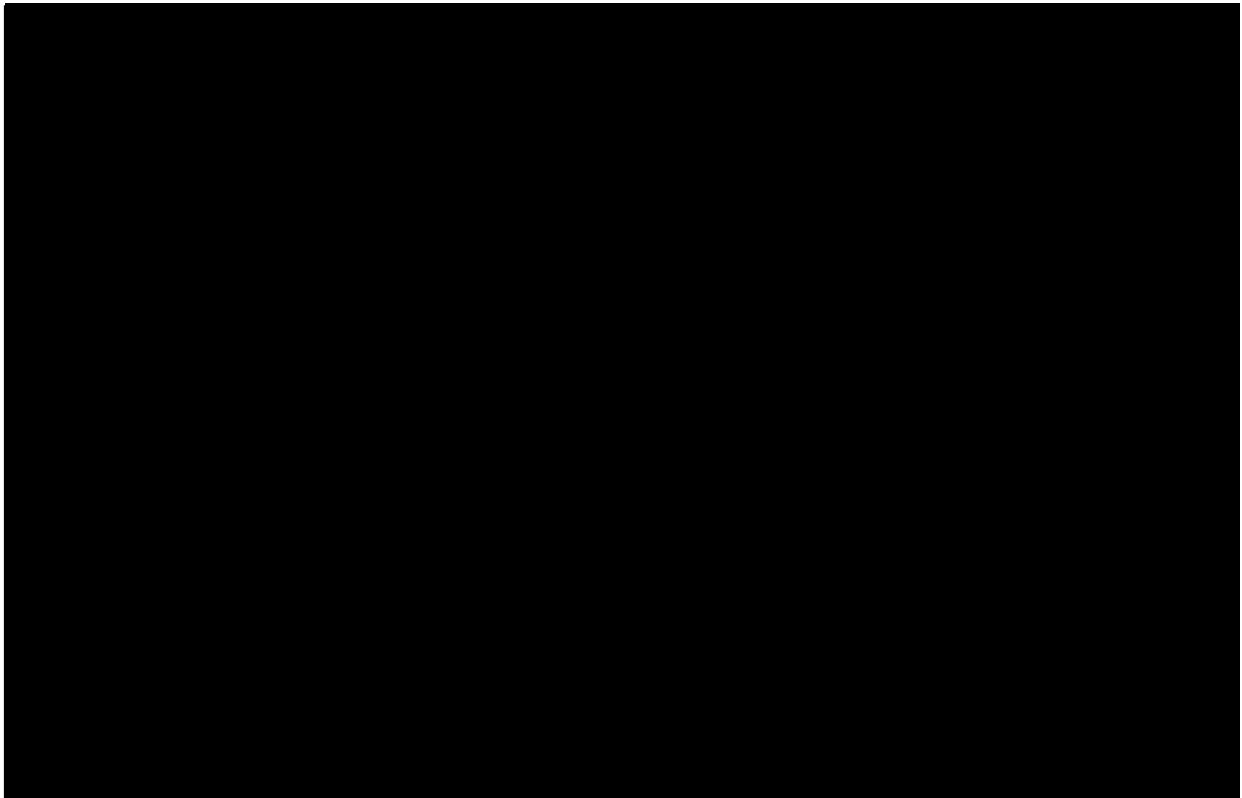
As set forth in 47 C.F.R. § 54.313(f)(1)(i), the Company hereby certifies that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1Mbps upstream. This service offers latency suitable for real-time applications, including

¹ Allocation in compliance with reporting requirement addressing how federal USF was used by the Company per 47 C.F.R. § 54.313(A)(1).

Voice over Internet Protocol. Usage capacity is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time.

SERVICE PROGRESS - EXCHANGE MAP

Funds received from the universal service support mechanisms, in combination with all other revenue streams will allow the Company to maintain and upgrade the existing broadband network. In the July 1, 2014 five-year plan, the level of 4/1 broadband availability within Palmerton was 100%. Using the FCC's new broadband definition of 10 Mbps / 1 Mbps upon reasonable request, Palmerton can still provide service to 100% of its customers.



RATES AND RATE STABILITY

New customers are provided rate information at the time they order service. The rate information is prepared based on tariffs which are on file with the state public utility commission and available for inspection at our office. In addition rates are available on the company website. Notices of rate changes proposed by the Company are communicated to the customers through a bill notice or other comparable means. The Company complies with all state and federal rules applicable to rate changes.

PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING

In advertising of prices for service plans the Company will disclose material charges and conditions related to the advertised prices and services. This notice will provide the potential customer with , including if applicable and to the extent the advertising medium reasonably allows: (1) whether nonrecurring installation charges would apply; (2) the monthly fee associated with the service; (3) whether any additional taxes, fees or surcharges apply; (3) the terms and conditions related to receiving a product or service for "free;" and (4) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

TRUTH-IN-BILLING

The Company has long maintained compliance with the FCC's Truth-in-Billing rules as set forth in 47 CFR 64.2401. In part, this requires the Company's telephone bill must: (1) be accompanied by a brief, clear, non-misleading plain language description of the service or services rendered; (2) identify the service provider associated with each charge; (3) clearly and conspicuously identify any change in

Company	Palmerton Telephone Company
Study Area Code	170196
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

service provider; (4) contain full and non-misleading descriptions of charges; (5) identify those charges for which failure to pay will not result in disconnection of the customer's basic local service; and (6) provide a toll free number for customers to call in order to lodge a complaint or obtain information.

Customers' bills will distinguish (1) monthly charges for service and features, and other charges collected and retained by the carrier, from (2) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. The Company will not label cost recovery fees or charges as taxes.

PROVIDE READY ACCESS TO CUSTOMER SERVICE

Customers and potential customers may access customer service by visiting the Company's office or by using a toll-free telephone number during normal business hours. Customer service contact information is available at our business office with regular hours posted on the storefront. In addition, this information is available online and on the monthly invoice rendered by the company.

ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY

The Company complies with all state and federal rules regarding the privacy of customer information. Certification of this compliance is provided annually to the FCC.

RESPONSE TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES

The Company will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency. Should the agency require a shorter interval for response, the Company will use its best efforts to expedite the review of the complaint to provide a response which meets the agency-provided target date.

Company	Palmerton Telephone Company
Study Area Code	170196
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

TERMINATION OF SERVICE

The Company follows the state public utility commission's rules for termination of service.

Service cannot be terminated without advance notice to the customer. If service is being terminated for non-payment, the customer will have the option to establish a payment plan. So long as the customer adheres to the payment plan, service will not be disconnected.

Customers may terminate service at any time and for any reason. The Company does not assess any termination penalty and the customer is simply required to pay for the services which were used while the service was provided.

Company	Palmerton Telephone Company
Study Area Code	170196
Supplemental Data For:	Line 610 – Description of Functionality in Emergency Situations

As an initial point, the Company had no service outages during 2015 which met the FCC's threshold for reporting into the Network Outage Reporting System ("NORS").

The Company engages in preventative maintenance programs which help ensure network reliability in all conditions. This includes regular checks on generators, battery back-up, HVAC infrastructure at central office switches, and tree trimming/removal when trees have the potential to take down telephone lines during events of high wind or heavy snow. Access to critical infrastructure (like central office switches) is limited to essential personnel. Spare equipment is maintained in inventory.

Like most local exchange carriers, the Company's network consists of electronic switching equipment and a network of fiber optics and copper facilities. From a switching standpoint, the Company has one primary switch and smaller switches which are fed by the primary switch. These smaller switches are often referred to as intraexchange remote switches or concentrators. The largest threat to switches is the loss of power. To address this, the Company ensures adequate battery back-up is maintained. For emergency situations which extend beyond the useful life of the battery back-up, the Company uses generators to power the switches. These generators are portable which ensures they can be relocated to any switching center based on the specific needs of each switch. In addition, the Company's office will serve as a Command and Control center. This center is included as a primary location to which continuous power is required.

In cases of emergency, the Company's management has contact information for all employees. Depending upon the scope of the emergency, the Company may call-in as many employees as necessary to provide continual telecommunications service. The Company has access to local and regional construction companies which can be called in to supplement the work force if necessary. When poles are down from emergencies, the Company works with other utilities attached to the same poles to expedite the repair or replacement of the infrastructure.

In summation, the Company takes preventative measures to plan for emergency situations and also takes steps to mitigate the risk or duration of such events.

REDACTED - FOR PUBLIC INSPECTION



465 Delaware Avenue, P.O. Box 215
Palmerton, PA 18071

Customer Service (610) 826-6650 • Business Office (610) 826-2115
Repair Service (610) 826-3444 • Gilbert Office (610) 826-9321
Web Site: www.ptelco.com

June 06, 2016

I, Timothy A. Hausman, hereby certify that Palmerton Telephone Company
(OFFICER OF THE COMPANY) (NAME OF COMPANY)

pricing of voice services is no more than two standard deviations above the applicable national average urban rate for voice service as specified in the most recent public notice issued by the Wireline Commission Bureau.

Respectfully,

Timothy A. Hausman
General Manager

Equal Opportunity/Affirmative Action Employer

REDACTED - FOR PUBLIC INSPECTION

Palmerton Telephone
Company

Section 3
Sixth Revised Sheet 1
Canceling Fifth Revised Sheet 1

SERVICE CONNECTION CHARGES

Service connection charges herein described, apply to all ordering, installing, changing or substituting of telephone services offered by the Company and are non-recurring. The definition and application of these charges are as follows:

GENERAL

- (1) Basic Service Order Processing Charges apply on each customer order for all work or service orders to be provided or changed or reconnected at one time at the same location for the same customer. These charges cover work associated with receiving, establishing records and processing any service ordered to be completed or changed at any one time. This charge applies to all requests for service initiated by a customer.
- (2) Network Access Charge shall apply at the time of initiation of new services or the re-initiation of a discontinued service to the same customer whenever central office service is connected to a customer's premises. This charge is associated with the connection of company facilities (drop wire, protector, ground unit) to the customer's premises and applies to each central office line so connected. This charge covers travel time and work in central office facilities related to the connection of associated facilities required to render service.
- (3) Premise Visit Charge applies for any work, equipment or service ordered, changed or substituted by the customer which requires a premise visit by Company personnel for the purpose of installation, moving, reconnecting or changing equipment and facilities associated with service.
- (4) Restoral of Service Charge applies for the restoral to normal of a service that has been either totally or partially suspended because the customer has not paid sums due the Company. This charge is independent of the number of units involved and is in addition to all monthly charges due for service rendered.

(C)

Service Order, Network Access and Premise Visit charges apply instead of the restoral charge for service re-established after the service contract has been canceled by the company.

Issued: January 22, 1993

Effective: March 23, 1993

Palmerton Telephone
Company

Section 3
Seventh Revised Sheet 2
Cancels Sixth Revised Sheet 2

SERVICE CONNECTION CHARGES (Cont'd)

GENERAL

- (5) The customer has the option of paying the non-recurring charges related to the initial installation of a main station for a single line residence or business exchange service in equal monthly installments over three billing periods. (C)

RATES

	<u>Business</u>	<u>Residence</u>
Service Order Charge.	\$ 8.15	\$ 5.10
Network Access Charge	6.05	6.05
Premise Visit Charge.	9.25	9.25
Multi-line Instrument	10.00	10.00
Restoral of Service	10.20	10.20

SERVICE MAINTENANCE VISIT CHARGE

A service maintenance visit charge applies when a service difficulty or trouble report requires a visit by the Telephone Company to the customer's premises, at which customer-provided equipment or lines are connected to Telephone Company facilities, and a determination is made that the difficulty or trouble is not a result of the failure of Telephone Company facilities.

The minimum charge for each service maintenance visit is \$20.50. Costs exceeding the minimum charge are the responsibility of, and will be billed to, the customer.

RETURN CHECK CHARGE

The customer will be billed a charge of \$20.00 for the special handling of each check returned by the bank to the Telephone Company for the following reasons: insufficient funds, no account, account closed, payment stopped, drawn against uncollected funds, balance held account garnished, two signatures required, unauthorized signature, post dated, stale date. (I)

(C) Indicates Change
(I) Indicates Increase

Issued: September 24, 2012

Effective: October 24, 2012

Supplement No. 171 - Telephone - PA P.U.C. No. 5

Palmerton Telephone
Company

Section 3
Fourth Revised Sheet 3
Cancels Third Revised Sheet 3

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(C)

RESERVED FOR FUTURE USE

(C) Indicates Change

Issued: March 30, 2012

Effective: April 2, 2012

REDACTED - FOR PUBLIC INSPECTION

Supplement No. 171 - Telephone - Pa. P.U.C. No. 5

Palmerton Telephone
Company

Section 3
Third Revised Sheet 4
Cancels Second Revised Sheet 4

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*

*

(C)

RESERVED FOR FUTURE USE

(C) Indicates Change

Issued: March 30, 2012

Effective: April 2, 2012

Palmerton Telephone
Company

Section 3
Fourth Revised Sheet 5
Cancels Third Revised Sheet 5

LIFELINE SERVICE

A. DESCRIPTION

Lifeline Service is a federally funded program established to provide monthly assistance to residential low income households who qualify for this service in accordance with the following Regulations.

B. REGULATIONS

1. Lifeline Service is available to qualified residence customers and is provided via a residence individual Dial Tone Line. Lifeline Service is limited to only one Service per qualified customer or household (a household is defined as "any individual or group of individuals who are living together as one economic unit" an economic unit is "all adult individuals contributing to and sharing in the income and expenses of a household"). A potential Lifeline customer who has an outstanding final bill for telephone service which is less than (4) years old must pay the entire balance of any Basic Service final bill before being eligible for Lifeline Service.
2. Residence Lifeline Service consists of the following tariffed standard features and optional customer elected services at the applicable rates, charges and regulations for each feature and service provided:
 - a. One-Party Residence Unlimited Service and Local Measured Service, if available.
 - b. Directory Listing (standard only).
 - c. Non-Published or Non-Listed Telephone Number Service.
 - d. Access to Directory Assistance Service.
 - e. Touch Tone Calling Service.
 - f. Access to Message Toll Telephone Service and Optional Dial Station-To-Station Calling Plan Services. However, the Residence Lifeline Dial Tone Line will be blocked from dial station access to 976/556/900 and any other type of Audiotex Service.
 - g. Access to Operator Services.
 - h. Voluntary Toll Restriction Option.
 - i. Access to 800/888 Services.
 - j. Access to Call Trace.
 - k. Access to Alerting and Reporting Systems (9-1-1 dialing).
 - l. Access to the Pennsylvania Telecommunications Relay Service.
 - m. Caller ID Per-call and Per-line Blocking
 - n. Other eligible telecommunications services at tariffed rates.

(C)

(C) Indicates Change

Issued: June 29, 2012

Effective: August 1, 2012

Palmerton Telephone
CompanySection 3
Fifth Revised Sheet 6
Cancels Fourth Revised Sheet 6

LIFELINE SERVICE

B. REGULATIONS (cont.)

3. An applicant for Lifeline Service must be a current participant in one of the following Pennsylvania programs, or be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States (except Alaska and Hawaii) and the District of Columbia. Recertification of Lifeline Service participants must be conducted annually by Palmerton Telephone Company to ensure continued eligibility. Lifeline customers have the responsibility to notify the Telephone Company within thirty (30) days of a change in eligibility status if they no longer qualify for Lifeline Service.

Pennsylvania Department of Public Welfare Lifeline Service Programs:

- * Temporary Assistance for Needy Families (TANF)
- * * *
- * Supplemental Security Income (SSI)
- * Medicaid
- * Supplemental Nutrition Assistance Program (SNAP) (f/k/a Food Stamps)
- * Low Income Home Energy Assistance Program (LIHEAP)

(C)

Additional Eligible Programs (Federal)

- * Federal Public Housing
- * National School Free Lunch Program

The DPW Programs listed above must be certified by DPW. Such certification by DPW will be provided only when a DPW client requests Lifeline Service based on the client's status as a participant in any of the above eligibility programs. Certification by DPW will be limited to confirmation of the client's program status (i.e., participation or non-participation). Participation by DPW is subject to execution of an agreement with DPW and Palmerton Telephone Company.

4. Lifeline Service will be provided to a customer only so long as such customer continues to meet the participation and certification guidelines in B.3. above. At the time of initial establishment of Lifeline Service, the customer agrees to have his or her eligibility recertified annually by Palmerton Telephone Company. When the Company is notified by the customer or determines through recertification that the Lifeline Service customer is no longer a participant in the DPW programs in B.3. above or otherwise low-income eligible, the customer will be notified (by telephone or letter) that the Lifeline Service rate is no longer applicable. Within the stated customer notification period (30 working days from the date of the notification), the customer can contact the Company to negotiate new Dial Tone Service arrangements at applicable tariff rates (no connection charges will apply for existing services or options retained). If the customer does not contact the Company by the end of the notification period, the Lifeline Service will be changed to applicable Exchange Area Dial Tone Line service at existing tariff rates (no connection charges will apply to existing services or options retained).

(C) Indicates Change

Issued: November 16, 2012

Effective: November 17, 2012

Palmerton Telephone
Company

Section 3
Second Revised Sheet 7
Cancels First Revised Sheet 7

LIFELINE SERVICE

B. REGULATIONS (cont'd)

5. A Lifeline Service customer may not subscribe to any other type of residence Local Exchange Service at the same or other premises. Lifeline Service will not be provided via Foreign Exchange or Foreign Central Office Service arrangements.
6. Only services listed in B (2) above will be provided to Lifeline customers.
- * * *
7. Customer requested temporary suspension of Lifeline Service is not permitted.
8. Lifeline Service does not apply to applicants who are full time students living in university or college controlled housing.
9. The applicant must not be a dependent for Federal Income Tax purposes, unless he or she is 60 years of age or older.
10. Lifeline customers are subject to all Residence service regulations in this and other tariffs of Palmerton Telephone Company.
11. Residence Lifeline Service cannot be resold by the Lifeline customer or the Lifeline customer's agent(s).
12. Resale of Lifeline Services are subject to wholesale rate obligations under Section 251 (c)(4) of the Telecommunications Act of 1996.
13. All outstanding charges, account balances and service restrictions apply to existing customers who qualify for Lifeline Service. Service restrictions will remain until the arrearage(s) have been paid in full.
14. Any Lifeline customer who has a past due balance of Toll Charges will be treated with the appropriate Chapter 64 regulations. The Residence Toll Restoral Charge applies to Lifeline Customers who are suspended for non-payment and who subsequently pay their outstanding toll charges and request toll restoral. If a Lifeline customer is toll restricted for a second occurrence the Company may, at its discretion, place the Lifeline customer on permanent toll restriction.
15. Toll-Blocking and Toll-Control services will be provided at no charge to Lifeline Service subscribers, to the extent that they are offered.

(C)

(C) Indicates Increase

Issued: March 30, 2012

Effective: April 2, 2012

Palmerton Telephone
Company

Section 3
Third Revised Sheet 8
Cancels Second Revised Sheet 8

LIFELINE SERVICE

C. LIFELINE SERVICE DIAL TONE LINE MONTHLY RATE

1. Applicable Residence Dial Tone monthly rate minus \$9.25 ⁽¹⁾. (I)
* * * (C)
2. Lifeline Service is subject to all applicable state, local and federal taxes, and (C)
surcharges, and to all applicable tariff rates, charges, surcharges and regulations.

NOTE:

- ⁽¹⁾ See FCC Public Notice released May 1, 2012, In re: *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 11-42 et al., CC Docket No. 96-45, FCC 12-11 (rel. Feb. 6, 2012).

(C)
|

(I) Indicates Increase
(C) Indicates Change

Issued: June 29, 2012

Effective: August 1, 2012

Company	Palmerton Telephone Company
Study Area Code	170196
Supplemental Data For:	Line 3010b – 5 Year Plan Milestone Certification

This certification is embedded within the 5 year plan update that has been filed.

REDACTED - FOR PUBLIC INSPECTION

WILLIAM E. HOWE & Co.
CERTIFIED PUBLIC ACCOUNTANTS
MEDIA, PENNSYLVANIA
ESTABLISHED 1918

JOHN W. HART, C.P.A.
CHARLES P. BOWES, C.P.A.
HERBERT I. BERKOWITZ, C.P.A.
CHARLES A. RUBILLO, JR., C.P.A.
STEPHEN J. MIHAICH, C.P.A.
THOMAS M. CHIZAUSKIE, C.P.A.

RONALD J. MORSE, C.P.A.
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H. PATRICK FEELY, C.P.A.

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YORKTOWN BUILDING
MEDIA, PA 19063-1754
610-521-6556
1-800-433-5601
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Palmerton Telephone Company
Palmerton, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of PALMERTON TELEPHONE COMPANY, which comprise the balance sheets as of DECEMBER 31, 2015 and 2014, and the related statements of operations, comprehensive income (loss); stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PALMERTON TELEPHONE COMPANY as of DECEMBER 31, 2015 and 2014, and the results of its operations and their cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

William E. Howe & Co.

Media, Pennsylvania
March 22, 2016

PALMERTON TELEPHONE COMPANY

Balance Sheets

DECEMBER 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
<u>Current Assets</u>		
Cash and cash equivalents		
Accounts receivable less allowances for doubtful accounts of [REDACTED]		
Materials and supplies		
Prepaid expenses and taxes		
Total current assets		
<u>Property, Plant and Equipment</u>		
In service		
Under construction		
Non-regulated		
Non-operating		
Less accumulated depreciation		
Total property, plant and equipment - net		
<u>Other Assets</u>		
Investments (Note c)		
Prepaid pension benefit cost		
Total other assets		
Total		

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND STOCKHOLDER'S EQUITY

2015

2014

Current Liabilities

Accounts payable and accrued expenses (Note d)

Customer deposits

Income taxes

Advances from affiliated companies

Total current liabilities

Deferred income taxes

Stockholder's Equity

Common stock - no par value: authorized, issued
and outstanding [REDACTED] shares

Retained earnings

Accumulated other comprehensive income

Total stockholder's equity

Total

PALMERTON TELEPHONE COMPANY

Statements of Operations

For the Years Ended DECEMBER 31, 2015 and 2014

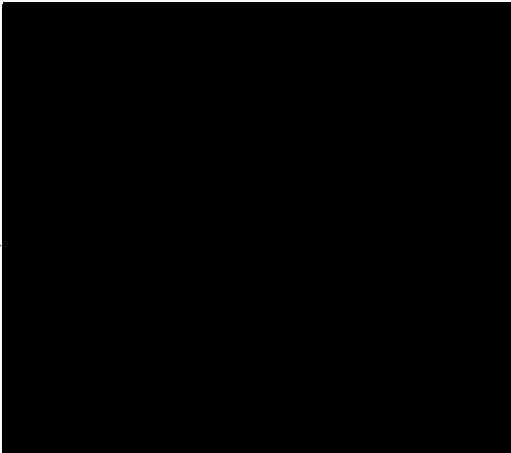


	<u>2015</u>	<u>2014</u>
<u>Operating Revenues</u>		
Local network service		
Network access and long distance network service		
Miscellaneous other operating revenue		
Total operating revenues		
<u>Operating Expenses</u>		
Maintenance		
Traffic		
Commercial		
General office salaries and expenses		
Plant specific operations		
Plant non-specific operations		
Total operating expenses		
<u>Operating Taxes</u>		
Federal and state income tax		
Other operating taxes		
Provision for deferred income taxes		
Total operating taxes		
Operating Income (Loss)		
Non-Operating Net Income, less income taxes of		
Income (Loss) before Interest Charges		
Interest Charges		
Net Income (Loss) from Regulated Services		
Non-Regulated Net Income, less income taxes of		
Net Income (Loss) for the Year		

The accompanying notes are an integral part of these financial statements.

PALMERTON TELEPHONE COMPANY

Statements of Comprehensive Income (Loss)

For the Years Ended DECEMBER 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Net Income (Loss)		
<u>Other Comprehensive Income (Loss) - net of taxes</u>		
Change in unrealized gain on investments - net of deferred taxes of 		
Pension liability adjustment - net of deferred taxes (benefit) of 		
Total other comprehensive income (loss)		
Comprehensive Income (Loss)		

The accompanying notes are an integral part of these financial statements.

PALMERTON TELEPHONE COMPANY

Statements of Stockholder's Equity

For the Years Ended DECEMBER 31, 2015 and 2014

	<u>Common Stock</u>		<u>Retained</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Other</u> <u>Comprehensive</u> <u>Income</u>	<u>Stockholder's</u> <u>Equity</u>
Balance at January 1, 2014					
Net (loss)					
Other comprehensive (loss)					
Dividends					
Balance at December 31, 2014					
Balance at January 1, 2015					
Net income					
Other comprehensive income					
Dividends					
Balance at December 31, 2015					

The accompanying notes are an integral part of these financial statements.

PALMERTON TELEPHONE COMPANY

Statements of Cash Flows

For the Years Ended DECEMBER 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Cash Flows from Operating Activities</u>		
Net income (loss)		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		
Provision for uncollectible accounts		
Deferred income taxes		
Loss (gain) on sale of assets		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable		
Materials and supplies		
Prepaid expenses and taxes		
Prepaid pension benefit costs		
Increase (decrease) in:		
Accounts payable and accrued liabilities		
Customer deposits		
Income taxes		
Net cash provided by operating activities		
<u>Cash Flows from Investing Activities</u>		
Additions to property, plant and equipment		
Proceeds from sale of assets		
Advances from affiliated companies		
Net cash (used in) investing activities		
Net Increase in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year		
Other Cash Flow Data:		
Interest paid		
Income taxes paid		
Noncash investing activity:		
Total change in unrealized gain on investments		

The accompanying notes are an integral part of these financial statements.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements

DECEMBER 31, 2015 and 2014

- Notes: (a) PALMERTON TELEPHONE COMPANY is a wholly owned subsidiary of Pencor Services, Inc. The balance sheets and accompanying statements of operations, comprehensive income, stockholder's equity and cash flows are presented to provide PALMERTON TELEPHONE COMPANY's separate financial position and the separate results of its operations. The Company provides local and other telephone services in Northeastern Pennsylvania as an Incumbent Local Exchange Carrier (ILEC).
- (b) Summary of Significant Accounting Policies:
- (1) Basis of Accounting - The financial statements have been prepared in accordance with generally accepted accounting principles. In accordance with accounting guidance related to regulation, the Company which is subject to rate-of-return regulation, gives accounting recognition to the actions of regulations where appropriate. Such actions can provide reasonable assurance of an asset or impose a liability. Actions of a regulator can also eliminate a liability previously imposed by the regulator.
 - (2) Cash and Cash Equivalents - Cash and cash equivalents include liquid investments with original maturities of three months or less and are stated at cost, which approximates market value.
 - (3) Accounts Receivable less allowance for doubtful accounts - The Company maintains allowances for uncollectible accounts receivable for estimated losses from the inability of customers to make required payments. Estimates are based on the aging of the accounts receivable balances and the historical write-off experience, net of recoveries.
 - (4) Material and Supplies - Inventories of material and supplies are stated at the lower of cost or market with cost principally determined on an average cost basis.
 - (5) Property, Plant and Equipment - Property, plant and equipment is stated at original cost, less accumulated depreciation. The cost of property, plant and equipment is depreciated over their estimated useful lives on a straight-line basis. Maintenance and repair costs are expensed as incurred.
 - (6) Investments - All of the Company's investments were classified as available-for-sale. Net unrealized gains on these investments are included as a separate component of stockholders equity, net of any related tax effect. The specific identification method is used to determine the cost of securities.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (b) Summary of Significant Accounting Policies, Continued:

- (7) Revenue Recognition - Monthly service fees derived from local wireline and internet access, services are recognized in the month that service is provided. Interstate access revenues include settlements based on the Company's participation in the common line and traffic sensitive revenue pools administered by the National Exchange Carrier Association (NECA). The Company's wireline Universal Service support revenue is intended to compensate the Company for the high cost of providing rural telephone service. Universal Service support revenue includes funds received for interstate common line support (ICLS), Connect America Fund (CAF) and the Pennsylvania Universal Service Fund.
- (8) Income Taxes - The Company files a consolidated federal income tax return with its parent company. The Company's provision for federal and state income taxes is based on its separate earnings adjusted by consolidated tax allocations which results in a provision that approximates an allocated consolidated amount.

The Company has adopted accounting rules which prescribe a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the years ended December 31, 2015 and 2014, the Company has no material uncertain tax positions to be accounted for in the financial statements under the new rules. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

The federal income tax returns of the Parent Company for 2012 - 2015 are subject to examination by the IRS, and the Pennsylvania income tax returns of the Company for 2012 - 2015 are subject to examination by Pennsylvania, generally for three years after they were filed.

- (9) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (b) Summary of Significant Accounting Policies, Continued:

- (10) Advertising - Advertising costs are expensed in the year incurred. The Company paid advertising costs of [REDACTED] and [REDACTED] in 2015 and 2014, respectively.
- (11) USF, Gross Receipts Taxes and Other Surcharges - In determining whether to include in our revenue and expenses the taxes and surcharges collected from customers and remitted to government authorities, including USF charges, sales, use and some excise taxes, we assess, among other things, whether we are the primary obligor or principal taxpayer for the taxes assessed in each jurisdiction where we do business. In jurisdictions where we determine that we are the principal taxpayer, we record the surcharges on a gross basis and include them in our revenues and costs of services and products. In jurisdictions where we determine that we are merely a collection agent for the government authority, we record the taxes on a net basis and do not include them in our revenues and costs of services and products.

(c) Investments:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Fair Value</u>
<u>December 31, 2015</u>			
Equity securities			
<u>December 31, 2014</u>			
Equity securities			

The total of net unrealized gains (net of deferred taxes) included in stockholder's equity amounted to [REDACTED] at December 31, 2015 and [REDACTED] at December 31, 2014.

(d) Accounts Payable and Accrued Expenses:

	<u>2015</u>	<u>2014</u>
Accounts payable		
Employee compensation		
Accrued taxes other than income		
Other accrued expenses		

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (e) Pension Plan:

The Company has a non-contributory pension plan covering all employees after meeting certain eligibility requirements. The plan provides retirement benefits based on years of service and earnings.

The Company uses December 31st as the measurement date for its pension and profit sharing plans.

The following tables provide further information about the plans:

	<u>2015</u>	<u>2014</u>
<u>Obligations and Funded Status</u>		
Fair value of plan assets at December 31		
Benefit obligation at December 31		
Funded status		
<u>Amounts recognized in the Balance Sheet consist of:</u>		
Prepaid pension benefits cost		
Accrued pension benefits cost		
Net amount recognized		
Benefit cost		
Employer contributions		
Plan participants' contributions		
Benefits paid		
The accumulated benefit obligation for all defined benefit pension plans was [REDACTED] and [REDACTED] at December 31, 2015 and 2014, respectively.		
<u>Pretax Amounts recognized in Accumulated Other Comprehensive Income (Loss)</u>		
Actuarial (loss) - net		
Prior service cost		
Total		

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (e) Pension Plan, Continued:

Estimated amounts to be amortized from
Accumulated Other Comprehensive (Loss)
during 2016 fiscal year
Actuarial (loss) - net
Prior service cost

Total

Assumptions

Weighted average assumptions used
to determine benefit obligations at
December 31:

Discount rate

Rate of compensation increased

Weighted average assumptions used
to determine net periodic benefit
cost for years ended December 31:

Discount rate

Expected return on plan assets

Rate of compensation increased

The Company's expected rate of return on plan assets is
determined by the plan assets' historical long-term investment
performance, current asset allocation, and estimates of future
long-term returns by asset class.

Cash Flows

The Company does not expect to make a contribution to
its pension plan in 2016.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (e) Pension Plan, Continued:

Plan Assets

The fair values of the Company's allocated share of the consolidated pension plan assets, by asset category at December 31, 2015, are as follows:

	<u>Fair</u> <u>Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Asset Category</u>				
Cash equivalents				
Equity securities:				
Common stock				
Mutual funds - equities				
Other equities				
Fixed income securities:				
U.S. treasuries and agencies				
Corporate bonds				
Mutual funds - fixed income				
International bonds				
Other fixed income				
Other				
Real estate				
Total				

Level 1 Fair Value Measurements Above (Quoted Price in Active Markets for Identical Assets)

The fair value of common stock and mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Target allocation percentages for each major category of plan assets are as follows:

Equity securities
Debt securities

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

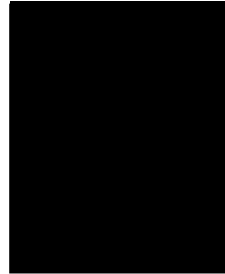
Notes: (e) Pension Plan, Continued:

The Company's policy for investing plan assets is based on a strategy to ensure that pension funds will be available to meet the plan's benefit obligations when they are due. This includes balancing risk and return by investing in high quality investment in a diversified manner in order to maintain the security of the funds while achieving an optimal return on plan assets within specific risk tolerances. The investment strategy expects equity investments to yield a higher return over the long term than fixed income securities while fixed income securities are expected to provide certain matching characteristics to the plan's benefit payment cash flow requirements.

Expected Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2016	
2017	
2018	
2019	
2020	
Years 2021-2025	
Total	



Profit Sharing Plans

The Company also has a 401(k) profit sharing plan for its employees. There was no Company contribution to this plan for 2015 and 2014. Eligible employees may also elect to make contributions to this plan.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (f) Income Taxes:

The provision for income taxes consists of the following:

	<u>2015</u>	<u>2014</u>
Current:		
Federal		
State		
Deferred:		
Federal		
State		
Total		

The deferred tax provision represents the impact of "temporary differences" between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The types of temporary differences that give rise to significant portions of the deferred tax provision are accelerated depreciation, asset retirements, pensions and parent company consolidated allocations. At December 31, 2015 and 2014, the Company owed its parent company [REDACTED] respectively for Federal income taxes.

Deferred tax assets and liabilities are included in the balance sheet as follows:

	<u>2015</u>	<u>2014</u>
Current - Prepaid expenses and taxes		
Non-Current - Deferred income taxes		
Net deferred tax liability		

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (g) Related Party Transactions - During 2015 and 2014, the Company engaged in transactions with its parent company (Pencor Services, Inc.) and affiliates. The following is a summary of those transactions:

	<u>2015</u>	<u>2014</u>
Employee wages (capitalized as property and equipment)		
Employee wages (expensed)		
Administrative and office expenses		
Plant specific operations		
Maintenance and repairs		
Rent (buildings)		
Rental income (buildings)		

A significant amount of the above wages from Pencor Services, Inc. are covered by a collective bargaining agreement. The current agreement with the United Steelworkers is up for renewal December 11, 2016.

(h) Accumulated other comprehensive income (loss) (net of tax) at year end consisted of the following:

	<u>Unrealized Gains on Securities</u>	<u>Defined Benefit Pension Plans</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>
January 1, 2014			
Change for the period			
December 31, 2014			
Change for the period			
December 31, 2015			

(i) Leases:

Net pole attachment rentals with power companies are generally cancelable after an initial period by either party upon notice. Charges for these net rents amounted to [REDACTED] in 2015 and 2014, respectively. Rental of facilities from affiliate amounted to [REDACTED] in 2015 and 2014, respectively.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

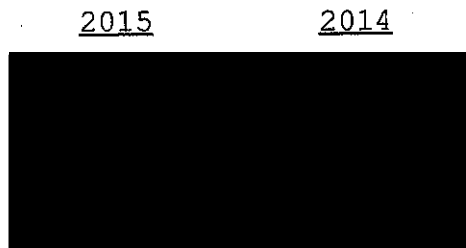
DECEMBER 31, 2015 and 2014

Notes: (j) Concentration of Credit Risk and Other Risks:

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily cash and accounts receivable. As part of its ongoing control procedures, the Company monitors concentrations of credit risk associated with financial institutions with which it conducts business. With respect to accounts receivable, concentrations of credit risk are limited due to large number of customers and short payment terms.

The Company received Support Revenues from the Federal Universal Service Fund (USF) and the Pennsylvania Universal Service Fund (PAUSF) as follows:

	<u>2015</u>	<u>2014</u>
Interstate common line support (ICLS) (USF)		
Connect America Fund (CAF) (USF)		
Pennsylvania Universal Service Fund (PAUSF)		



The above Federal and state programs, which are designed to promote widely available, quality telephone service at affordable prices in rural areas, have existed for several decades but there is no assurance that they won't cancel at some future date.

(k) Fair Value Measurements and Financial Instruments:

The accounting guidance related to financial assets and financial liabilities ("financial instruments"), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Company measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (k) Fair Value Measurements and Financial Instruments, Continued:

The following table presents the balances of assets measured at fair value on a recurring basis as of December 31, 2015:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable equity securities				

Fair Value of Other Financial Instruments

The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments for which it is practicable to estimate that value. The carrying amounts reflected in the balance sheets for cash and cash equivalents, trade receivables and accounts payable approximate their respective fair values due to short-term maturities of these instruments.

The recorded values of notes payable and long-term debt approximate their fair values, as interest approximates market rates.

(1) Contingent Liabilities:

The Pennsylvania Department of Revenue has made an assessment of additional Pennsylvania Gross Receipts tax for the year 2009 in the amount of [REDACTED] plus interest. The Company and special tax counsel believe the assessments are without merit and is vigorously defending its position. The Pennsylvania Department of Revenue offset the Company's Pennsylvania corporate net income tax receivable of [REDACTED] against this assessment. The Company believes this position is without merit and is vigorously defending its position.

The Pennsylvania Department of Revenue has made an assessment of additional Pennsylvania Gross Receipts tax for the year 2010 in the amount of [REDACTED] plus interest. The Company and special tax counsel believe the assessments are without merit and is vigorously defending its position.

The Pennsylvania Department of Revenue has made assessments of additional Pennsylvania Gross Receipts tax for the year 2011 - 2013 in the amounts of [REDACTED] respectively, plus interest. The Company and special tax counsel believe the assessments are without merit and is vigorously defending its position.

PALMERTON TELEPHONE COMPANY

Notes to Financial Statements, Continued

DECEMBER 31, 2015 and 2014

Notes: (1) Contingent Liabilities, Continued:

In the normal course of business, the Company is involved in disputes related to operations with suppliers, contractors, regulators and customers. Management believes that the resolution of these matters will not have a material effect on the Company's financial position or results of operations. Nevertheless, due to uncertainties in the resolution process, it is at least reasonable possible that management's view of the outcome could change materially over time.

(m) Subsequent Events:

Management has evaluated subsequent events through March 22, 2016, the date on which the financial statements were available to be issued.